



December 21, 2021

TO: Business and Accounting Administrators
Los Angeles County K-12 School and Community College Districts

FROM: Gabriel Leung, Assistant Director
Accounting and Financial Services
Division of School Financial Services

SUBJECT: Property Tax Delinquency – Joint Powers Authority 2021 Financing Pool

The purpose of this bulletin is to (1) provide information to participating districts regarding the sale of Delinquent Property Tax Receivable for 2021 purchased by the California Statewide Delinquent Tax Finance Authority (JPA); (2) demonstrate all the related accounting entries; and (3) clarify the closing and subsequent transactions in the section of “Frequently Asked Questions.”

Outline of 2021 Financing Pool

- Tax Receivable Purchased Year: 2021
- Closing Date: December 15, 2021
- Number of participating districts: 88

Major Events Related to the 2021 Financing Pool

1. The annual premium of 10% of the Base Amount was paid as detailed in your respective purchase and sale agreement.
2. The “Purchase and Sale Agreement” and the “Wire Instruction Authorization” were executed by all the participating districts and JPA.
3. The Tax Receivable Base Amount was paid to the County Auditor-Controller for distribution to all participating districts immediately after the closing date.
4. Delinquent taxes are received from the taxpayers by the County Treasurer and Tax Collector as a normal course of business on a continuing basis.
5. Delinquent tax collections are remitted quarterly to the JPA on behalf of participating districts by the Division of School Financial Services (SFS).

Participation Summary

A summary of the purchase amount in each tax category along with the 10% premium for all the participating agencies is provided in Attachment No. 1.

Accounting Procedures

The accounting procedures outlined in Attachment No. 2 were prepared to assist the K-12 school districts in understanding these transactions. Community college districts should refer to Attachment No. 3.

J-29 Reporting

All the tax transactions listed in the attachments will be reflected on the form J-29, with the exception of the premium. The premium is a local revenue item and will not be reported on the J-29. Special location codes (activity codes in community college districts) have been assigned to assist districts in the differentiation of (1) delinquent taxes purchased and the amount received from the JPA; (2) taxes received from the County Auditor-Controller; and (3) the remittance to the JPA for tax collections received.

Frequently Asked Questions

1. What are School Financial Services' responsibilities in relation to this financing mechanism?

SFS is responsible for posting the tax receipts to the participating districts' books and remitting the collections for the sold tax receivables to the JPA. Administrative responsibilities remain exclusively with the JPA.

Any questions concerning the JPA program for financing property tax delinquencies can be directed to William R. Dahms, Consultant to Tower Capital Management, at (213) 220-5010 or Williamrdahms@gmail.com.

2. When can the participating districts expect to “pay off” all the balances?

The districts have sold to the JPA all rights, title, and interest of the Tax Receivable for the purchased years without recourse, hence it should not be considered as a loan to be paid off. The delinquent taxes are remitted to the JPA as collected.

If you have any questions concerning this bulletin, please contact Christina Huang at (562) 922-6451 or Huang_Christina@laco.edu.

Approved:
Nkeiruka Benson, Director
Division of School Financial Services

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Attachments

SFS-A22-2021-2022

California Statewide Delinquent Tax Finance Authority
Funding Analysis for December 15, 2021 Financing
November 16, 2021

Public School Agencies	Delinquent Taxes Funded		Total	10%	Totals
	Standard ¹	Supplementals ¹	Delinquencies Funded	Premium	
A B C UNIFIED SCHOOL DISTRICT	237,140.65	31,544.75	268,685.40	26,868.54	295,553.94
ACTON-AGUA DULCE UNIF SD	51,606.96	6,864.82	58,471.78	5,847.18	64,318.96
ALHAMBRA UNIFIED SCHOOL DISTRICT	53,838.84	7,161.72	61,000.56	6,100.06	67,100.62
ANTELOPE VALLEY UNION HS DISTRICT	328,105.81	43,645.05	371,750.86	37,175.09	408,925.95
ARCADIA UNIFIED SCHOOL DISTRICT	559,053.69	74,366.03	633,419.72	63,341.97	696,761.69
AZUSA UNIFIED SCHOOL DISTRICT	141,371.95	18,805.47	160,177.42	16,017.74	176,195.16
BALDWIN PARK UNIF SCH DISTRICT	92,470.19	12,300.50	104,770.69	10,477.07	115,247.76
BASSETT UNIFIED SCHOOL DISTRICT	71,932.98	9,568.61	81,501.59	8,150.16	89,651.75
BELLFLOWER UNIFIED SCHOOL DISTRICT	180,887.73	24,061.91	204,949.64	20,494.96	225,444.60
BEVERLY HILLS UNIFIED SCHOOL DISTRICT	762,221.17	101,391.63	863,612.80	86,361.28	949,974.08
BONITA UNIFIED SCHOOL DISTRICT	157,386.24	20,935.71	178,321.95	17,832.20	196,154.15
BURBANK UNIFIED SCHOOL DISTRICT	473,043.55	62,924.85	535,968.40	53,596.84	589,565.24
CASTAIC UNION SCHOOL DISTRICT	54,400.11	7,236.37	61,636.48	6,163.65	67,800.13
CENTINELA VAL UNION HIGH SCH DISTRICT	230,250.78	30,628.25	260,879.03	26,087.90	286,966.93
CERRITOS COMMUNITY COLLEGE DISTRICT	135,160.86	17,979.27	153,140.13	15,314.01	168,454.14
CHARTER OAK UNIF SCHOOL DISTRICT	108,416.76	14,421.74	122,838.50	12,283.85	135,122.35
CITRUS COMMUNITY COLLEGE DISTRICT	79,985.63	10,639.79	90,625.42	9,062.54	99,687.96
CLAREMONT UNIFIED SCHOOL DISTRICT	145,339.51	19,333.24	164,672.75	16,467.28	181,140.03
COMPTON UNIFIED SCHOOL DISTRICT	270,551.61	35,989.12	306,540.73	30,654.07	337,194.80
COVINA-VALLEY UNIFIED SCHOOL DISTRICT	186,183.09	24,766.31	210,949.40	21,094.94	232,044.34
CULVER CITY UNIFIED SCHOOL DISTRICT	175,208.72	23,306.48	198,515.20	19,851.52	218,366.72
DOWNEY UNIFIED SCHOOL DISTRICT	355,846.33	47,335.12	403,181.45	40,318.15	443,499.60
DUARTE UNIFIED SCHOOL DISTRICT	71,337.76	9,489.44	80,827.20	8,082.72	88,909.92
EAST WHITTIER CITY SCHOOL DISTRICT	70,083.60	9,322.61	79,406.21	7,940.62	87,346.83
EASTSIDE UNION SCHOOL DISTRICT	8,170.16	1,086.81	9,256.97	925.70	10,182.67
EL CAMINO COMMUNITY COLLEGE DISTRICT	471,110.42	62,667.70	533,778.12	53,377.81	587,155.93
EL MONTE SCHOOL DISTRICT	67,867.17	9,027.78	76,894.95	7,689.50	84,584.45
EL MONTE UNION HIGH SCHOOL DISTRICT	187,394.71	24,927.48	212,322.19	21,232.22	233,554.41
EL RANCHO UNIF./CONS/ SCH. DISTRICT	118,056.47	15,704.02	133,760.49	13,376.05	147,136.54
EL SEGUNDO UNIFIED SCHOOL DISTRICT	103,725.01	13,797.63	117,522.64	11,752.26	129,274.90
GARVEY SCHOOL DISTRICT	31,763.60	4,225.24	35,988.84	3,598.88	39,587.72
GLENDALE COMMUNITY COLLEGE DISTRICT	163,399.30	21,735.59	185,134.89	18,513.49	203,648.38
GLENDALE UNIFIED SCHOOL DISTRICT	856,483.70	113,930.54	970,414.24	97,041.42	1,067,455.66
GLENDORA UNIFIED SCHOOL DISTRICT	150,872.40	20,069.24	170,941.64	17,094.16	188,035.80
GORMAN UNIFIED SCHOOL DISTRICT	536.65	71.39	608.04	60.80	668.84
HACIENDA-LA PUENTE UNIF. SCH DISTRICT	273,078.43	36,325.24	309,403.67	30,940.37	340,344.04
HAWTHORNE SCHOOL DISTRICT	44,567.14	5,928.38	50,495.52	5,049.55	55,545.07
HERMOSA BEACH CITY SCHOOL DISTRICT	64,347.74	8,559.62	72,907.36	7,290.74	80,198.10
HUGHES ELIZ. LAKES UNION SCH DISTRICT	10,739.15	1,428.53	12,167.68	1,216.77	13,384.45
INGLEWOOD UNIFIED SCHOOL DISTRICT	272,744.95	36,280.88	309,025.83	30,902.58	339,928.41
KEPPEL UNION SCHOOL DISTRICT	14,839.49	1,973.97	16,813.46	1,681.35	18,494.81
L.A. CITY COMMUNITY COLLEGE DISTRICT	3,072,988.64	408,772.83	3,481,761.47	348,176.15	3,829,937.62
LA CANADA UNIFIED SCHOOL DISTRICT	239,301.76	31,832.22	271,133.98	27,113.40	298,247.38
LANCASTER SCHOOL DISTRICT	19,681.58	2,618.07	22,299.65	2,229.97	24,529.62
LAS VIRGENES UNIFIED SCHOOL DISTRICT	621,577.99	82,683.09	704,261.08	70,426.11	774,687.19
LAWNDALE SCHOOL DISTRICT	26,970.93	3,587.71	30,558.64	3,055.86	33,614.50
LITTLE LAKE CITY SCHOOL DISTRICT	26,293.11	3,497.54	29,790.65	2,979.07	32,769.72
LONG BEACH COMMUNITY COLLEGE DIST	181,475.89	24,140.15	205,616.04	20,561.60	226,177.64
LONG BEACH UNIFIED SCHOOL DISTRICT	1,215,229.63	161,651.38	1,376,881.01	137,688.10	1,514,569.11
LOS ANGELES COUNTY OFFICE OF ED	2,205,206.82	293,339.39	2,498,546.21	249,854.62	2,748,400.83
LOS ANGELES UNIFIED SCHOOL DISTRICT	18,194,407.47	2,420,242.97	20,614,650.44	2,061,465.04	22,676,115.48
LOS NIETOS SCHOOL DISTRICT	23,375.00	3,109.37	26,484.37	2,648.44	29,132.81
LYNWOOD UNIFIED SCHOOL DISTRICT	74,772.11	9,946.28	84,718.39	8,471.84	93,190.23
MANHATTAN BEACH UNIFIED SCH DISTRICT	444,344.38	59,107.25	503,451.63	50,345.16	553,796.79
MONROVIA UNIFIED SCHOOL DISTRICT	160,034.97	21,288.06	181,323.03	18,132.30	199,455.33
MONTEBELLO UNIFIED SCHOOL DISTRICT	353,700.10	47,049.64	400,749.74	40,074.97	440,824.71
MOUNTAIN VIEW SCHOOL DISTRICT	26,057.50	3,466.20	29,523.70	2,952.37	32,476.07
MT.SAN ANTONIO COMMUNITY COLLEGE	290,876.48	38,692.76	329,569.24	32,956.92	362,526.16
NEWHALL SCHOOL DISTRICT	126,430.38	16,817.93	143,248.31	14,324.83	157,573.14

Public School Agencies	Delinquent Taxes Funded		Total Delinquencies	10%	Totals
	Standard ¹	Supplementals ¹	Funded	Premium	
NORWALK-LA MIRADA UNIF SCH. DISTRICT	268,690.78	35,741.59	304,432.37	30,443.24	334,875.61
PALMDALE SCHOOL DISTRICT	41,708.17	5,548.07	47,256.24	4,725.62	51,981.86
PARAMOUNT UNIFIED SCHOOL DISTRICT	116,857.25	15,544.50	132,401.75	13,240.18	145,641.93
PASADENA AREA COMMUNITY COLLEGE	405,832.66	53,984.37	459,817.03	45,981.70	505,798.73
PASADENA UNIFIED SCHOOL DISTRICT	1,072,011.55	142,600.33	1,214,611.88	121,461.19	1,336,073.07
POMONA UNIFIED SCHOOL DISTRICT	264,717.87	35,213.10	299,930.97	29,993.10	329,924.07
REDONDO BEACH UNIFIED SCH DIST	375,660.31	49,970.81	425,631.12	42,563.11	468,194.23
RIO HONDO COMMUNITY COLLEGE DISTRIC	93,390.30	12,422.89	105,813.19	10,581.32	116,394.51
ROSEMEAD SCHOOL DISTRICT	31,754.83	4,224.07	35,978.90	3,597.89	39,576.79
ROWLAND UNIFIED SCHOOL DISTRICT	217,375.89	28,915.62	246,291.51	24,629.15	270,920.66
SAN GABRIEL UNIFIED SCHOOL DISTRICT	145,983.76	19,418.95	165,402.71	16,540.27	181,942.98
SAN MARINO UNIFIED SCHOOL DISTRICT	190,472.12	25,336.84	215,808.96	21,580.90	237,389.86
SANTA CLARITA COMMUNITY COLLEGE	239,352.32	31,838.95	271,191.27	27,119.13	298,310.40
SANTA MONICA COM COLLEGE DISTRICT	246,687.07	32,814.62	279,501.69	27,950.17	307,451.86
SANTA MONICA-MALIBU UNIF SCH DISTRIC	1,006,564.95	133,894.54	1,140,459.49	114,045.95	1,254,505.44
SAUGUS UNION SCHOOL DISTRICT	156,552.17	20,824.77	177,376.94	17,737.69	195,114.63
SOUTH PASADENA UNIFIED SCH DISTRICT	118,263.46	15,731.56	133,995.02	13,399.50	147,394.52
SOUTH WHITTIER SCHOOL DISTRICT	31,432.99	4,181.25	35,614.24	3,561.42	39,175.66
SULPHUR SPRINGS UNION SCHOOL DISTRIC	89,582.61	11,916.39	101,499.00	10,149.90	111,648.90
TEMPLE CITY UNIFIED SCHOOL DISTRICT	128,498.58	17,093.04	145,591.62	14,559.16	160,150.78
TORRANCE UNIFIED SCHOOL DISTRICT	842,231.02	112,034.64	954,265.66	95,426.57	1,049,692.23
VALLE LINDO SCHOOL DISTRICT	4,188.10	557.11	4,745.21	474.52	5,219.73
WEST COVINA UNIF. SCHOOL DISTRICT	123,636.10	16,446.23	140,082.33	14,008.23	154,090.56
WESTSIDE UNION SCHOOL DISTRICT	64,973.86	8,642.91	73,616.77	7,361.68	80,978.45
WHITTIER CITY SCHOOL DISTRICT	64,207.89	8,541.01	72,748.90	7,274.89	80,023.79
WHITTIER UNION HIGH SCHOOL DISTRICT	272,693.64	36,274.05	308,967.69	30,896.77	339,864.46
WILLIAM S HART UNION HIGH SCH DISTRICT	521,285.03	69,342.00	590,627.03	59,062.70	649,689.73
WILSONA SCHOOL DISTRICT	11,262.84	1,498.19	12,761.03	1,276.10	14,037.13
WISEBURN SCHOOL DISTRICT	162,112.72	21,564.43	183,677.15	18,367.72	202,044.87
88 Agencies	42,442,226.59	5,645,718.50	48,087,945.09	4,808,794.51	52,896,739.60

¹The amount of standard and supplemental taxes allocated to each school district is determined by apportionment factors provided to the Authority's underwriter, Tower Capital Management, by the office of the Los Angeles County Auditor Controller.

**Los Angeles County Office of Education
Division of School Financial Services
Accounting Procedures for Property Tax Delinquency JPA
K-12 School Districts**

1. a. JPA issues bond and makes tax receivable payment to school district for the amount sold.

This is a one-time transaction which increases cash.

County Treasurer receives wire transfer. County Auditor-Controller prepares a journal voucher.

Upon notice from the County Auditor-Controller, LACOE distributes money to school district.

<u>Account Description</u>	<u>Account Number</u>	<u>Debit</u>	<u>Credit</u>
Dr. Cash	01.0-00000.0-00000-00000-9110-0000000	\$ XXX	
Cr. Prop Tax Revenues - Prior Year Taxes	01.0-00000.0-00000-00000-8043-1111111		\$ XXX

b. JPA pays 10% benefit to school district

This is a one-time transaction which increases cash.

County Treasurer receives wire transfer. County Auditor-Controller prepares a journal voucher.

Upon notice from the County Auditor-Controller, LACOE distributes money to school district.

Dr. Cash	01.0-00000.0-00000-00000-9110-0000000	\$ XXX	
Cr. Other Local Revenues	01.0-00000.0-00000-00000-8699-0000000		\$ XXX

2. Delinquent taxes are received by county tax collector

These are on-going quarterly transactions which increase cash.

County Auditor-Controller prepares a journal voucher.

Upon notice from the County Auditor-Controller, LACOE distributes money to school district.

Dr. Cash	01.0-00000.0-00000-00000-9110-0000000	\$ XXX	
Cr. Prop Tax Revenues - Prior Year Taxes	01.0-00000.0-00000-00000-8043-0000000		\$ XXX
Cr. Penalties and Interest on Del Tax Rev	01.0-00000.0-00000-00000-8048-0000000		\$ XXX

3. Remittances of delinquent tax collections to the Trustee are made

These are on-going quarterly transactions which reduce cash.

A written authorization has been provided by the districts to LACOE to process on-going wire transfers. Upon receipt of request from the Administrative Agent, wire transfers will be made by LACOE through the County Treasurer's office on behalf of districts.

Dr. Prop Tax Revenues - Prior Year Taxes	01.0-00000.0-00000-00000-8043-2222222	\$ XXX	
Dr. Penalties and Interest on Del Tax Rev	01.0-00000.0-00000-00000-8048-2222222	\$ XXX	
Cr. Cash	01.0-00000.0-00000-00000-9110-0000000		\$ XXX

Los Angeles County Office of Education
Division of School Financial Services
Accounting Procedures for Property Tax Delinquency JPA
Community College Districts

1. a. JPA issues bond and makes tax receivable payment to community college district for the amount sold.

This is a one-time transaction which increases cash.

County Treasurer receives wire transfer. County Auditor-Controller prepares a journal voucher.

Upon notice from the County Auditor-Controller, LACOE distributes money to the district.

<u>Account Description</u>	<u>Account Number</u>	<u>Debit</u>	<u>Credit</u>
Dr. Cash	01.0-00000.0-00000-00000-9110-0000000	\$ XXX	
Cr. Prop Tax Revenues- Prior Year Taxes	01.0-00000.0-00000-00000-8816-1111111		\$ XXX

b. JPA pays 10% benefit to community college district

This is a one-time transaction which increases cash.

County Treasurer receives wire transfer. County Auditor-Controller prepares a journal voucher.

Upon notice from the County Auditor-Controller, LACOE distributes money to the district.

Dr. Cash	01.0-00000.0-00000-00000-9110-0000000	\$ XXX	
Cr. Other Local Revenues	01.0-00000.0-00000-00000-8890-0000000		\$ XXX

2. Delinquent taxes are received by county tax collector

These are on-going quarterly transactions which increase cash.

County Auditor-Controller prepares a journal voucher.

Upon notice from the County Auditor-Controller, LACOE distributes money to the district.

Dr. Cash	01.0-00000.0-00000-00000-9110-0000000	\$ XXX	
Cr. Prop Tax Revenues- Prior Year Taxes	01.0-00000.0-00000-00000-8816-0000000		\$ XXX
Cr. Penalties and Interest on Del Tax Rev	01.0-00000.0-00000-00000-8816-0000000		\$ XXX

3. Remittances of delinquent tax collections to the Trustee are made

These are on-going quarterly transactions which reduce cash.

A written authorization has been provided by the districts to LACOE to process on-going wire transfers. Upon receipt of request from the Administrative Agent, wire transfers will be made by LACOE through the County Treasurer's office on behalf of districts.

Dr. Prop Tax Revenues- Prior Year Taxes	01.0-00000.0-00000-00000-8816-2222222	\$ XXX	
Dr. Penalties and Interest on Del Tax Rev	01.0-00000.0-00000-00000-8816-2222222	\$ XXX	
Cr. Cash	01.0-00000.0-00000-00000-9110-0000000		\$ XXX